Quarterly Report

AT MARCH 31, 2024

Contents

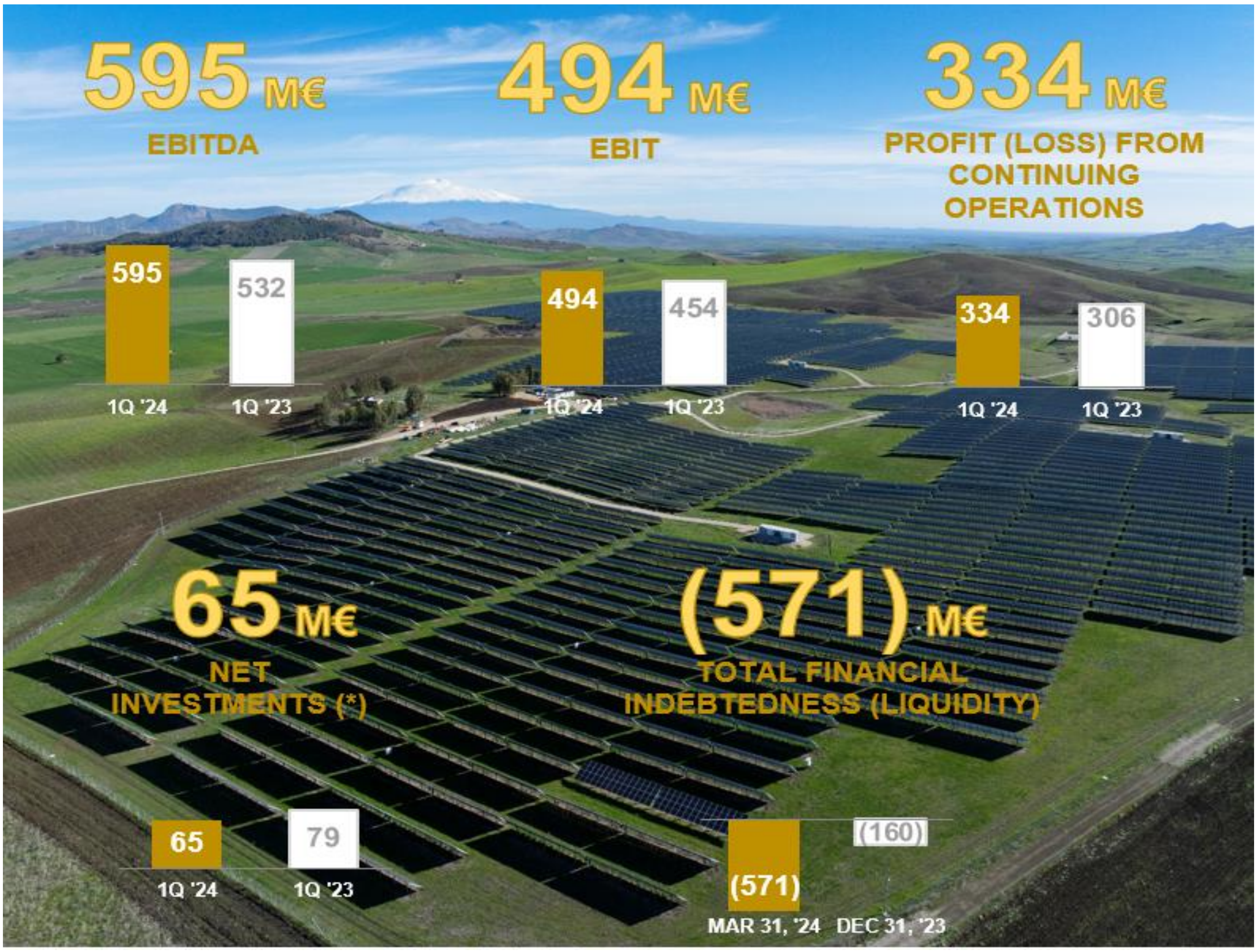
Quarterly Report at March 31, 2024

3	**Highlights**
4	**Introduction**
5	**Key Events**
6	**External Context**
6	Economic Framework
10	The Italian Energy Market
14	Legislative and Regulatory Framework
19	**Presentation formats**
22	**Economic & Financial Results at March 31, 2024**
22	Revenues and EBITDA of the Group and by Business Segment
27	Other components of the Group's Income Statement
29	Total financial indebtedness and cash flows
32	Fair value recorded in Balance Sheet and Cash Flow Hedge reserve
33	**Outlook**
33	**Significant events occurring after March 31, 2024**
34	**Certification Pursuant to Article 154-bis, Section 2, of Legislative Decree No. 58/1998**

The document has been translated into English for the convenience of readers outside Italy.
The original Italian document should be considered the authoritative version.

Highlights

It should be noted that the income statement and flow figures for the first quarter 2023 have been restated in accordance with IFRS 5 to reflect the classification of gas storage activities as Discontinued Operations.



"Solecaldo" photovoltaic plant – Aidone (EN)

(*) Effect on indebtedness as described in the paragraph Total financial indebtedness and cash flows.

Highlights 1st quarter 2024 (in millions of euros)	Electric Power Operations	Gas Operations (*)	Corporate	Eliminations	Edison Group
EBITDA	329	268	(2)	-	**595**
EBIT	233	273	(12)	-	**494**
Gross Investments (**)	69	11	4	-	**84**

(*) Excluding gas storage activities, under disposal

(**) Relating to increase of property, plant and equipment and of intangible assets during the period

Rating	Standard & Poor's		Moody's	
	03.31.2024	12.31.2023	03.31.2024	12.31.2023
Medium/long-term rating	BBB	BBB	Baa3	Baa3
Medium/long-term outlook	Stable	Stable	Stable	Stable
Short-term rating	A-2	A-2		

Introduction

The preparation criteria of quarterly information

It should be noted that the Company provides the market with voluntary quarterly consolidated information, more concise and focused on its business performance. This report therefore includes a comment on the reference economic context, on the performances of the Group and the main operating sectors and provides the presentation formats with economic and financial data comparable with those of the Annual and Semiannual Reports.
For quantitative data, the equivalent figures of the previous reference period are also given.

Newly applied standards

The accounting principles, the valuation criteria and consolidation criteria applied in preparing this information are consistent with those adopted for the preparation of the 2023 Consolidated Financial Statements.

The Board of Directors, met on May 3, 2024, authorized the publication of Edison's Group Quarterly Report at March 31, 2024, which was not audited.

Unless otherwise stated, all amounts in these accompanying notes are in millions of euros.

Changes in the Scope of Consolidation compared with December 31, 2023 – Acquisition and Disposal of Assets

During the quarter it should be noted the acquisition, executed on January 31, 2024, of 100% of the company Consistrol Alvarez y Asociados, operating in the energy services for the tertiary sector, for a consideration of about 3 million euros.

Application of accounting standard IFRS 5 to gas storage activities

Please remember that during 2023 the company Edison Stoccaggio, to which the gas storage activities pertain, was the subject of strategic evaluations aimed at exploiting its potential to serve a further drive for growth in the Group's strategic sectors. These assessments led to the activation of a process for the search of a potential buyer and, in this context, the Group received non-binding offers.

Subsequently, on February 26, 2024, Edison and Snam announced the start of exclusive negotiations for the sale of 100% of Edison Stoccaggio.

In this Quarterly Report, in continuity with the 2023 Consolidated Financial Statements, the gas storage business has therefore been treated as Discontinued Operations pursuant to IFRS 5; consequently:

- in the income statement for the first quarter of 2024 and, for comparative purposes, for the first quarter of 2023, the revenues and income and the costs and expenses of the activities that constitute discontinued operations have been reclassified under the item **Profit (Loss) from discontinued operations** (net income for 8 million euros in the first quarter of 2024 and for 5 million euros in the first quarter of 2023); the expected sale price is higher than the book value of the business under disposal, which includes the allocation, in compliance with the IAS 36 par. 86, of a part of the indistinct goodwill of Gas Operations for the amount of 115 million euros;

- in the balance sheet the assets and liabilities attributable to the business under disposal have been reclassified to **Assets** and **Liabilities held for sale**.

It should also be noted that the existing relationships between continuing and discontinued operations were treated as relationships between independent parties and that the income statement and balance sheet items referring to discontinued operations also include the effect of the consolidation adjustments on these relationships.
In this document, therefore, all the economic and flow data referring to the first quarter of 2023 have been restated to allow a homogeneous comparison with those of the first quarter of 2024.

Key Events

Edison Next and SEA together for a green hydrogen refuelling station in the cargo area of Milan Malpensa international airport

February 22, 2024 - Edison Next and SEA, Aeroporti di Milano, announce the development of a green hydrogen refuelling station at Milan Malpensa International Airport to decarbonize airport logistics.

Edison Next starts the energy and technological redevelopment of the public lighting of Iglesias (Southern Sardinia)

February 22, 2024 - The Municipality of Iglesias and Edison Next announced the start of the energy and technological redevelopment project for the city's public lighting systems scheduled to begin on April 1.

The nine-year project is part of the Consip Servizi Luce 4 Agreement, and involves the LED efficiency of over 3,200 LED lighting fixtures, out of a total of approximately 5,700 light points managed. The territorial area that will be served by Edison Next is 208 square kilometers, from the centre to the periphery, and the citizens who will benefit from it will be approximately 25,000.

Edison: start of exclusive negotiations with Snam for the sale of Edison Stoccaggio

February 26, 2024 - Edison and Snam announce the start of exclusive negotiations for the sale of 100% of Edison Stoccaggio. The exclusivity follows the competitive process started last October by Edison for the valorization of the subsidiary.

Edison: the "Puglia Green Hydrogen Valley" project has been approved by the European Commission within the IPCEI Hy2Infra

February 26, 2024 - Edison announced that the Puglia Green Hydrogen Valley project was selected to receive IPCEI funding up to 370 million euros, thus confirming its strategic importance and feasibility. This is one of the first large-scale green hydrogen production initiatives in Europe and involves the construction of two production plants in Brindisi and Taranto, with a total electrolytic capacity of 160 MW. Once in operation, the Puglia Green Hydrogen Valley plants are expected to generate about 250 million cubic meters of green hydrogen per year.

Edison Next alongside AFV Beltrame Group to boost the digitalization path of all its sites thanks to the innovative Edison Analytics platform

March 5, 2024 - Edison Next supports AFV Beltrame Group, a leading international steel company, in the digital transformation of its plants. The signed five-year agreement includes the implementation of Edison Analytics, an innovative solution for monitoring energy consumption that exploits digitalization and artificial intelligence.

Verallia and Edison Energia signed an agreement for the supply of green energy

March 14, 2024 - Edison Energia, after the fruitful collaboration of the last three years, signs a multi-year Power Purchase Agreement (PPA) with Verallia starting from 2024, which will enable it to significantly reduce CO_2 emissions: the savings until the end of the contract will be about 170 thousand tonnes.

The energy supplied - amounting to over 350 GWh - will come from a mix of renewable sources from different plants in Italy: a new photovoltaic plant in Viterbo will be the primary source.

Edison Next and Bekaert signed a 12-year on-site PPA for the sustainability of the plant in the province of Cagliari

March 28, 2024 - Edison Next and Bekaert, the world market leader in steel wire processing and coating technology, announce the signing of a 12-year on-site PPA for the installation of a photovoltaic plant with a total capacity of 6.1 MWp at the Bekaert Macchiareddu (Cagliari) plant, capable of meeting more than 20% of its current energy demand.

Edison: merger by incorporation of Edison Reggane and Jesi Energia approved

April 3, 2024 - Edison announces that at its meeting of March 28, 2024, it approved the plan for the merger by incorporation into Edison Spa of Edison Reggane Spa and Jesi Energia Spa, both single-shareholder companies subject to the management and coordination of Edison Spa.

Edison accelerates photovoltaic development and inaugurates a new 41 MW plant in Sicily

April 16, 2024 - Edison inaugurates a new 41 MW photovoltaic plant in Aidone, Sicily, as part of its renewable energy growth strategy, which envisages 2 GW of installed photovoltaic capacity by 2030. With the commissioning of the new plant, named "Solecaldo", Edison confirms its role as a responsible operator committed to the country's energy transition.

External Context

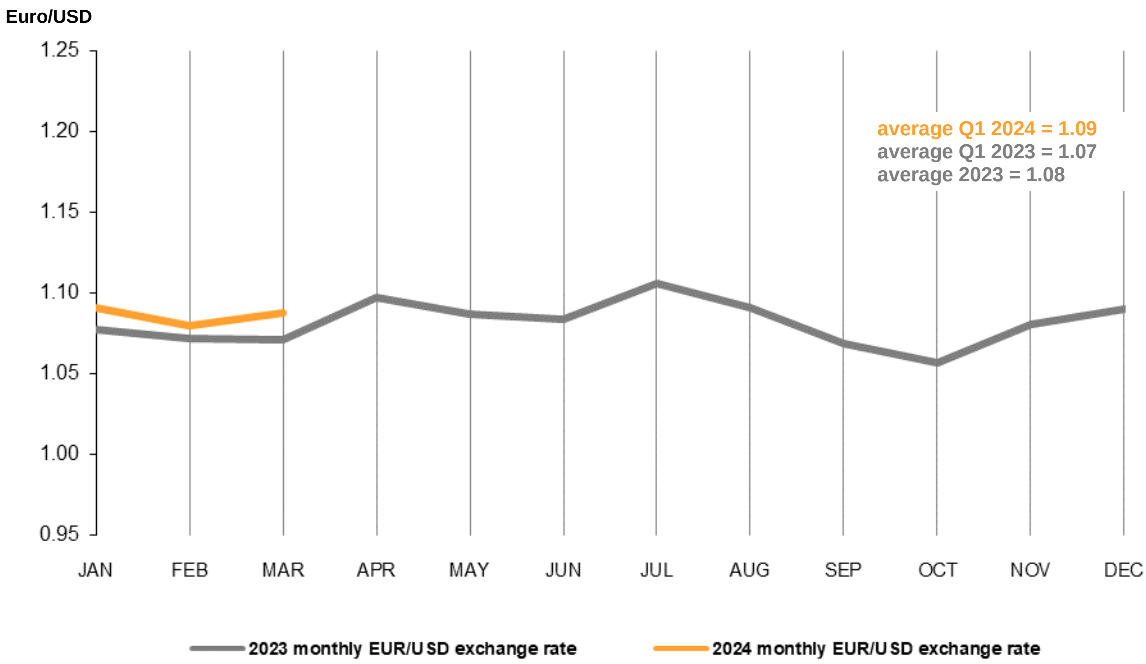
Economic Framework

Despite the many deep shocks of recent years, the world economy has not fallen into significant recessions, but on the contrary has shown unexpected resilience, unlike the global financial crisis of 2008, from which, however, the world economic system was strengthened by a costly and lengthy process of private debt reduction that resulted in greater financial solidity of companies, banks and households, and which, in turn, made it possible to better withstand the impact of the pandemic and subsequent shocks on the world economy. Despite the current difficult global geopolitical context, the early months of 2024 were characterized by a strengthening of growth prospects, helped by the legacy of a better-than-expected 2023 and the gradual reduction in inflation that marked last year. In the US (progressing by 2.5% in 2023), there was not, in fact, the recession that had been expected as a result of the FED strong and rapid monetary tightening: on the contrary, the year just ended left a drag of no less than 1.3 GDP points to 2024. Also positively influencing the global economic trend was China's GDP growth (+5.0%), the pace of which, although still lower than pre-pandemic, was significantly higher in 2023 than in 2022, with a carry-over effect on 2024 of 1.7 GDP percentage points. However, the world economy benefited above all from the positive contribution that the Asian giant made to international trade. On the other hand, it was, and remains, Europe that has been a drag on the world economy, with a subdued dynamic that has paid a high price for the energy crisis. In fact, GDP in 2023 remained essentially static (+0.5% in both the EU and EMU), adding only a tenth of a percentage point to the 0.4% drag of 2022 and leaving nothing to 2024. Inflation, which in 2023 had an even greater decline than that recorded in the United States, going from 8.6% in January to 2.9% in December, now seems to slow down more slowly, due both to the exhaustion of base effects linked to energy prices (which have fallen considerably in the past year) and to the escalation of the war in the Middle East, to which must be added the navigation difficulties in the Suez Canal and Panama Canal, the former linked to terrorist actions targeting transport ships, the latter due to the reduced capacity of the basins due to the drought that limits the type of ships able to cross the Canal. Regardless of the cause, the reduction of traffic through the Suez and Panama canals not only lengthens delivery times but also generates an increase in transport costs due to longer routes, higher insurance costs and the need to charter cargo for longer periods of time. Despite transport-related difficulties, no major tensions have yet been registered on the commodity markets, with the exception of the prices of some raw materials imported into Europe from Asia (mainly plastics, diesel and jet fuel, but also metals): logistical discontinuities, together with a framework of limited stocks along the production chains, have stimulated precautionary purchases of these products, contributing to a rise in prices. As for gas and oil, diverging price trends are observed, with the former falling and the latter rising. Favourable weather conditions throughout Europe contributed to a significant reduction in methane consumption, while the fall in US oil production, together with restrictive policies within OPEC, a gradually recovering demand and the uncertainty of the geopolitical scenario in the Middle East, instead pushed up the price of crude oil. Finally, with regard to the main agricultural commodities (with the exception of cocoa and olive oil, which remained at historical highs), they continued to lose ground in the first months of 2024, in most cases remaining at similar or lower levels than the average levels observed in the pre-pandemic period. Overall, both the commodity price indices compiled by The Economist and the

Prometeia-APPIA Index (which summarizes the price trends of commodities purchased by Italian manufacturing companies) confirm the trend of a gradual return from the peaks of 2022. On the forecast front, in the US the propensity to save has remained at historically low levels over the past year, making the country's growth model - centred on consumption - unsustainable going forward. Also due to less dynamic employment growth than in the past, the household savings rate is set to gradually increase again, taking resources away from spending on goods and services, overall demand and thus GDP growth. The expected slowdown in private consumption will help to reduce inflation; however, the too slow pace at which inflation is falling, remaining at levels that are still too high, has prompted the US Federal Reserve Bank to postpone its expectation of a first policy rate cut until November. At the moment, therefore, FED funds remain in the range between 5.25% and 5.50% (the highest level since 2001, to which they were brought last July). Postponing the forecast of 2.0% inflation (which is the FED target) to 2026, the US economy is estimated to grow by 2.1% this year. As far as Europe is concerned, household confidence seems to be starting to improve, helped by the rapid decline in inflation. However, the disappearance of measures to support the weaker sections of the population, introduced to counter the energy crisis, and the return to stricter European governance rules to bring public accounts back to a more sustainable condition, however leaving less room for expansive taxation, could translate into a brake on household consumption growth. On the business side, there are also two opposing forces that make the dynamics of the coming months difficult to read: while, on the one hand, low gas prices suggest a prospective improvement, on the other hand, the high uncertainty related to export markets and the robustness of demand in general cast clouds over future developments. In the European Commission's forecasts, the Eurozone will grow by 0.8% in 2024 (and the EU by +0.9%). However, the inflation target of 2.0% should already be reached by 2025. As for policy rates, the faster-than-expected decline in inflation and weak domestic demand led analysts to expect the introduction of a first rate cut as early as June, to be followed by three more cuts by December, each of 25 basis points, thus bringing the reference interest rate to 3.5% by the end of the year. Going into the merits of the Italian economy, thanks to the good dynamics of GDP in 2023 (+1.0%, compared to +0.7% estimated by ISTAT at the end of January 2023), in the current year, it is expected to settle at +0.7%, almost double what was forecast only a few months ago, in December 2023 (+0.4%). The contribution of investments over the past four years, supported by tax policies, building bonuses and National Recovery and Resilience Plan (PNRR) interventions, was crucial in closing the past year better than expected, thus leaving a substantial growth “treasure trove” (+0.2% “drag” effect) until 2024. According to Prometeia, between 2024 and 2026, GDP growth will average 0.8%, much lower than the exceptional rates of recent years, however higher than before the pandemic. In the next few years, the scenario for the Italian economy, net of international events, will be marked by three specific factors: the first is the implementation of the PNRR, which, according to Prometeia hypotheses, will support investments for an average of 22 billion euro each year; the second is represented by the “deflation” of the bubble in residential investments, created by building bonuses and, in particular, by the 110% Superbonus; the third is linked to the choices of families, who will try to defend their consumption standards, while bearing the impact of inflation on incomes. It will also be necessary to take into account the policies of the central banks, which will start a normalization path from this year.

In the first quarter of 2024, the EUR/USD exchange rate stood at a value of 1.09, up by 1.2% over the same period in 2023. Analysing the monthly trend, in the first three months of the year the euro continued the recovery trend that began in November 2023, albeit at a slower pace. Overall, the single currency appreciated by 0.9% in the first quarter of 2024 compared to the previous quarter.

The monthly development of the exchange rate for this year and the previous year is depicted in the following graph:



With regard to the oil markets, the average crude oil price for the first quarter of 2024 came in at 81.8 USD/bbl, a slight decrease compared to both the average of the first quarter 2023 (-0.5%) and the average of the fourth quarter 2023 (-1.0%). In the first three months of 2024, following the appreciation of the single currency, the price of crude oil in euro fell more sharply on a trend basis than that in dollars (-1.7%), recording an average of 75.3 euro/bbl.

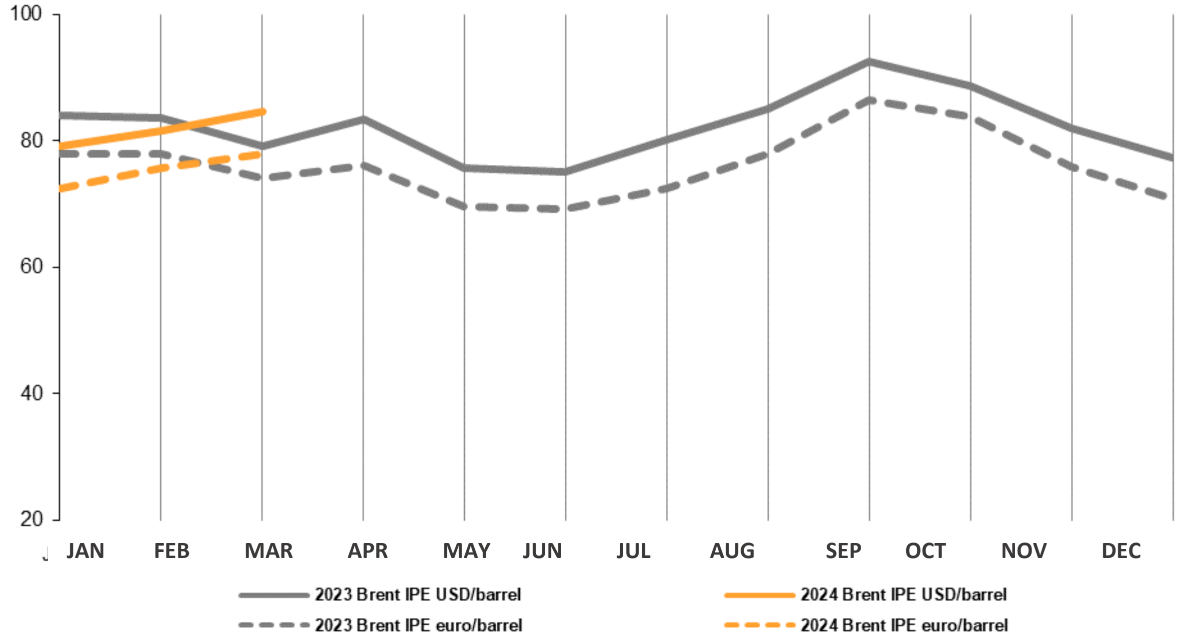
Prices showed an upward trend throughout the quarter, breaking the downward trend that emerged in late 2023, while remaining below 90 USD/bbl and at levels reached last October following the outbreak of war between Israel and Hamas. Geopolitical tensions, relating to the continuing conflict in Gaza and the Houthi threat in the Red Sea, as well as Ukrainian drone attacks on Russia's main oil refineries, drove the monthly upward trend in prices in the wake of concerns over possible supply disruptions. Quotations were further supported by the reduction in global supply in the first quarter. In January, a cold spell in the US temporarily resulted in lower US crude oil production, which stood at 12.6 million bbl per day, down 6% from December's record level. Furthermore, the OPEC+ alliance continued its policy of voluntary crude oil production cuts, extending it until June, to a total quota of around 2.2 million bbl per day. However, the sustained output of countries outside the alliance, and in particular the US, limited the bullish impact of the cuts. Saudi Aramco, the national oil company of Saudi Arabia, in February surprisingly announced the suspension of its plan to increase its maximum production capacity from 12 million bbl of crude oil per day to 13 million by 2027, a remarkable turnaround by one of the world's largest oil producers.

Uncertainties about the development of global demand - whose growth rate is expected to slow in 2024 - and China's economic outlook have limited price increases, helping to keep them at lower levels than in 2023. In early March, the Chinese government presented an economic growth target of 5% for 2024, in line with the previous year, however without outlining a concrete stimulus plan. Some economic indicators showed signs of robustness for China, with industrial production growing by 7% year-on-year in the first two months of the year, above the 4.6% for 2023.

The following graph and table show, respectively, the monthly dynamics of the current and previous year and the average values per quarter:

	1st quarter 2024	1st quarter 2023	Change %
Oil price in USD/bbl(1)	81.8	82.2	*(0.5%)*
USD/EUR exchange rate	1.09	1.07	*1.2%*
Oil price in EUR/bbl	75.3	76.6	*(1.7%)*

(1) Brent IPE



The Italian Energy Market

Demand for Electric Power in Italy and Market Environment

(TWh)	**1st quarter 2024**	1st quarter 2023	Change %
Net production:	61.2	64.0	*(4.3%)*
- Thermoelectric	36.8	45.0	*(18.2%)*
- Hydroelectric	9.8	5.6	*75.6%*
- Photovoltaic	5.8	5.4	*5.9%*
- Wind power	7.5	6.7	*12.5%*
- Geothermal	1.3	1.3	*2.7%*
Net import/export balance	16.9	13.7	*23.6%*
Pumping consumption	(0.5)	(0.6)	*(19.4%)*
Total demand	**77.7**	**77.1**	**0.7%**

Source: processing of preliminary 2024 and final 2023 TERNA data, gross of grid losses. March 2024 data, from internal processing on Terna data.

In the first quarter of 2024, gross total demand for electric power from the Italian grid totalled 77.7 TWh (TWh = billions of KWh), an increase of 0.7% compared to the corresponding period of the previous year. Despite temperatures around 1°C higher than last year, electricity demand was positively influenced by falling energy prices and a slight recovery in industrial consumption.

In terms of net generation, the contribution of sources as a whole nationwide decreased by about 2.8 TWh (-4.3%) compared to the first three months of 2023. In terms of renewable generation, given the abundant rainfall during the period, hydroelectric production totalled 9.8 TWh, up 75.6% compared to the same period last year, while wind generation increased by 12.5% year-on-year (+0.8 TWh) and photovoltaic production rose from 5.4 to 5.8 TWh (+5.9%).

In the first quarter of 2024, total net imports stood at 16.9 TWh, up 23.6% year-on-year, with flows from the northern borders (Austria, France, Slovenia and Switzerland) increasing from 12.8 to 15.4 TWh (+20%).

As a result of higher renewable generation and high import flows, thermoelectric generation amounted to 36.8 TWh, down sharply from the first three months of 2023 (-18.2%). Overall, domestic production contributed about 78.3% of the total electricity demand (in the first three months of 2023, the contribution was 82.4%).

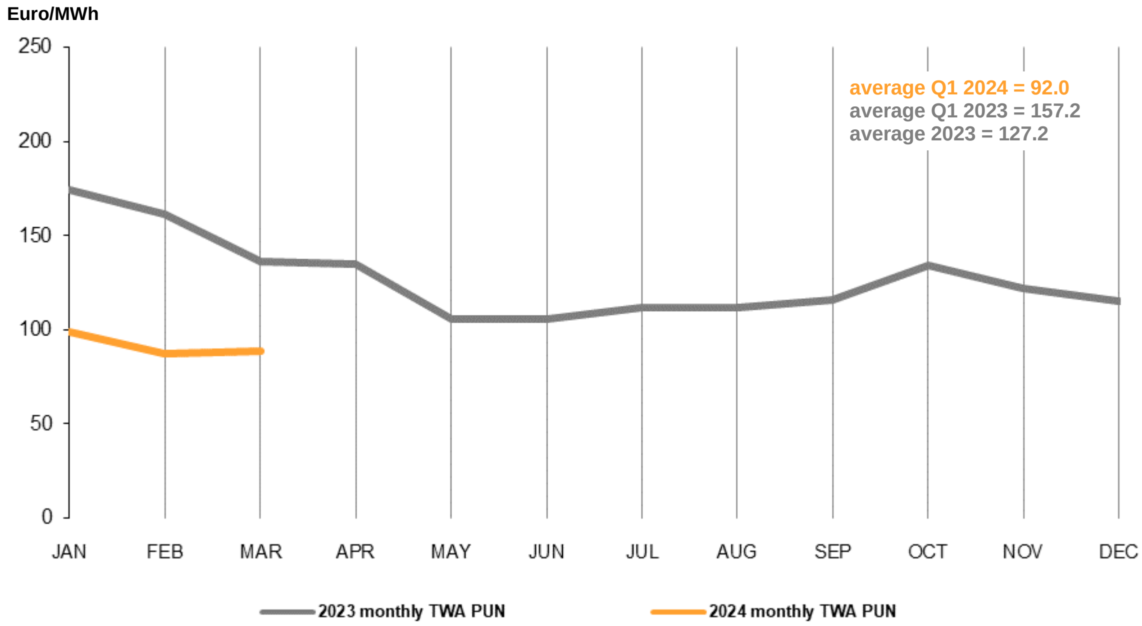
With reference to the price scenario at March 31, 2024, in the first quarter of 2024 the average listing of the time weighted average (TWA) of the single national price (the “PUN” in Italy), came in at 92.0 euro/MWh, down by 41.5% compared to the same period of the previous year (157.2 euro/MWh).

The drop in quotations against the respective months of 2023 was particularly marked in January and February, when the price reached its lowest value since June 2021. This trend was part of a framework of decreasing thermoelectric generation costs, as a result of weakening gas and CO_2 emission rights prices, and was favoured by increased production from renewable sources, as well as high import flows.

Analysing the changes in the PUN on a monthly basis, we see, similarly to what was observed in the gas market, a drop in January and February, and a slight rise in March, remaining well below the 2023 levels. The recovery of hydroelectric generation continued in the first quarter of 2024, a factor which, combined with weak demand, led to less reliance on thermoelectric production, supporting the fall in prices. In addition, net import flows reached new all-time highs in the first two months of the year, especially from the northern border in the presence of high availability of nuclear capacity in France.

Zonal prices in the first quarter of 2024 showed an average change of -40.4%: the highest decreases were in the North and North Central zones (-42.3%). In the group of hours F1, F2 and F3, we observe a decrease across all brackets of around 41.5% compared to the first quarter of 2023.

The chart that follows shows the monthly trend compared with the previous year:



As observed in the Italian market, foreign prices have shown downward variations on both a quarterly and yearly basis. The French market recorded an average of 63.0 EUR/MWh in the first quarter of 2024, marking a year-on-year decrease of 51.7%, the sharpest contraction among the main European markets, with the exception of Spain (down 53.4% to an average of 44.9 EUR/MWh). German prices showed a negative trend change of 41.6%, with quotations averaging 67.7 EUR/MWh.

Demand for Natural Gas in Italy and Market Environment

(Billions of m^3)	**1st quarter 2024**	1st quarter 2023	Change %
Services and residential customers	11.4	11.5	*(1.1%)*
Industrial use	3.0	3.0	*0.3%*
Thermoelectric fuel use	5.0	5.3	*(5.7%)*
Consumptions and system losses	0.6	1.0	*(41.9%)*
Total demand	**19.9**	**20.7**	***(3.9%)***

Source: Snam Rete Gas (2023 and January 2024: final financial statements data, February and March 2024: provisional financial statements data).

In the first quarter of 2024, natural gas consumption on Italian territory stood at 19.9 billion cubic meters, slightly lower than in the same period of 2023 (-0.8 billion cubic meters equal to -3.9%).
Demand for gas from the industrial sector ended on a par with the first quarter of last year, totalling 3 billion cubic meters (+0.3% vs. 2023). Positive deltas are evident in the first half of January and in March compared to the same periods in 2023, suggesting a slight recovery in this sector.
The distribution sector (which includes domestic, or residential, use and services) observes a slight contraction compared to 2023 (-1.1% or -0.1 billion cubic meters), due to higher average temperatures than last year (especially in February). The national plan to contain natural gas consumption (introduction of temperature limits in areas and daily hours of heating) remains in force.
The largest delta compared to the first quarter of 2023 is evident in the thermoelectric sector, which contracted by 5.7%, due to high import flows and high generation from renewable sources (especially hydroelectric production), which compressed the space of thermoelectric plants. Compared to the first quarter of 2023, Italy finally recorded lower exports from the national grid (included under “Consumption and system losses”), mainly at the Tarvisio and Gorizia exit points.

As for supply sources, the following developments characterized the first quarter of 2024:

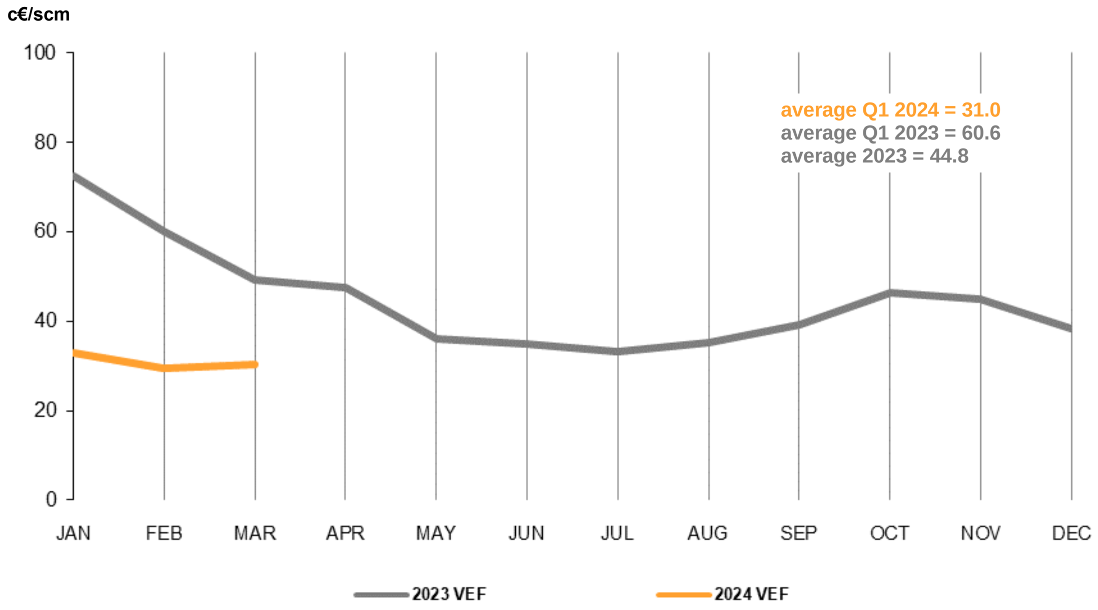
- slightly lower domestic production (-0.05 billion cubic meters; -6.2% compared to 2023);
- lower gas imports (-0.7 billion cubic meters; -4.3% compared to 2023);
- slight decrease in volumes injected from storage (-0.1 billion cubic meters; -2.0% compared to 2023). An interesting fact is the month of March 2024, which saw a net injection (0.26 billion cubic meters injected into Italian storage facilities) compared to the positive sign (corresponding to a net supply) usually observed in March.

During the first quarter of the year, the price of spot gas in Italy stood at 31.0 €c/scm, registering a decrease of 48.9% compared to the same period of 2023. The change on a cyclical basis was also down, although more contained, showing a decrease of 28.4%. Analysing the monthly trend, it can be seen that in the first two months of the year, prices fell in the wake of the fourth quarter of 2023, reaching their lowest level since May 2021 in February. Prices then retraced slightly in March, although remaining well below last year's levels.
The declines occurred in a European context characterized by a mostly mild winter, without any major cold spells, which limited the demand for heating for the second year in a row, reducing withdrawals from storage sites. At March 31, 2024, European warehouses were in fact 58.3% full, almost 3 percentage points higher than on the same date last year, and significantly more stocked than the 26.3% observed in 2022. Temperatures throughout the quarter were well above normal, in particular in February when Italy recorded 3°C above the historical average, and favored a containment of gas demand, which remained lower than the first quarters of 2023 and 2022. Since mid-January, the escalation of attacks by the Yemeni Houthi military group in the Red Sea has forced LNG cargoes to avoid crossing the Suez Canal and use the longer route via the Cape of Good Hope to reach Europe, resulting in increased journey times. However, there was no significant impact on prices, with subdued demand in the European market and a well-supplied global system, also considering that geopolitical tensions did not lead to production reductions in Middle Eastern countries.

Northern European gas markets recorded downward trends compared to the same period of 2023, in line with as was observed in Italy: the TTF, the main reference for gas in Europe, closed the first quarter of 2024 at 29.0 c€/scm, with a decrease of 49.2% compared to the same period in 2023.

The VEF-TTF spread recorded an average of 1.9 c€/scm, a decrease of 43.5% compared to the first quarter of 2023, when it stood at 3.4 €c/scm. The reduction in the differential between the two hubs was mainly driven by lower gas imports from Northern Europe via Passo Gries - down 22% year-on-year - due to limited domestic gas demand. Furthermore, Italian LNG terminals saw an increase in their operations, thanks also to the commercial start-up of the floating storage and regasification unit in Piombino, whose flows accounted for 20% of total LNG imports in the first quarter of 2024. The share of Russian gas in the import mix continued to be marginal and stood at 8.2%, in line with the first quarter of 2023. The announcement that the Livorno LNG terminal will be shut down for maintenance from March 1 until October 31 led to an increase in the spread for March.

The chart that follows shows the VEF monthly trend compared with the previous year:



Legislative and Regulatory Framework

Below are the key points of the main developments concerning the legislative and regulatory framework relative to the first quarter of 2024, for the various areas of the corporate business.

Electric Power

Wholesale Market

ARERA Resolution 60/2024/R/eel "Closing of the fact-finding investigation, started with resolution of the Authority 475/2023/R/eel, regarding the formation of imbalance prices, following the start of Terna operations on the European "PICASSO" platform and further provisions in this regard" - With Resolution 60/2024, the Authority closes the fact-finding investigation regarding the formation of imbalance prices, approving the summary report of the analyses carried out and adopting some provisions aimed at addressing the anomalies found following the start, in July 2023, of the participation of the Italian system in the European PICASSO platform for the exchange of the aFRR (Automatic Frequency Restoration Reserve, equivalent to the secondary reserve in Italy).

From the analyses carried out by ARERA, relating to the reference period July 2023 - October 2023, it clearly emerges how the occurrence of anomalous imbalance prices can be traced back to price peaks, both positive and negative, which emerged on the aFRR platform. In particular, almost all of the events can be traced back to the situation in which Terna expresses on the aFRR platform a downward requirement that is greater than the national resources shared on the platform itself, with the consequent need to "import" foreign downward capacity purchased at any price (Italian offers are subject to a floor of 0 €/MWh), even negative (the border connecting Italy with the other countries on the platform is the Italy-Austria border). During the analysis period, the countries participating in the PICASSO platform were Italy, Austria, Germany and the Czech Republic.

The main among the measures adopted by ARERA to address the issue that has emerged is the temporary suspension of operating participation in the PICASSO platform (as of March 15, 2024), as requested by the main industry associations (e.g. Elettricità Futura and Energia Libera) back in September 2023 after operators (including Edison) had reported the first anomalies in the formation of imbalance prices. The suspension will remain in place pending the approval and implementation, expected later this year, of the price anomaly mitigation measures on the PICASSO platform proposed by the TSO at European level.

ARERA also requests Terna to provide further analysis on the functioning of the platform and to evaluate possible alternative participation models, and initiates a monitoring activity of the way in which Terna dimensions the reserves to be procured on the MSD (which have been greatly reduced in recent years).

It is underlined that the high level (in absolute value) of anomalous imbalance prices, with the unpredictability of their occurrence, exposes operators like Edison to a generally riskier situation. The nature of the issues and the non-transparent dynamics of how the aFRR platform operates make these financial risks difficult to manage.

Gas

Tariffs and Market

Auctions for the allocation of new regasification capacity at the Ravenna Floating Storage Regasification Unit - With Resolution 16/2024/R/gas, ARERA approved the “Procedure for the first allocation of regasification capacity” and the “Regasification Code” of the new Ravenna plant, operated by FSRU Italia. ARERA ordered that the first allocation procedures be limited to the offer of the 20-year product and to capacity products with a duration of at least five years. As an allocation method, an “ascending open auction” was arranged with:

- basic auction fee equal to the sum of the transportation capacity unit fee and a fixed auction regasification capacity fee known *ex-ante* (equal to 22.11 €/m^3liq/year for the first 10 years and 16.8036 €/m^3liq/year for the following 10 years);
- minimum steps for the additional unit premium equal to 0.2211 €/m^3liq/year (i.e. equal to 1% of the fixed, initial, auction regasification capacity fee known *ex-ante*).

The approved procedure provides for bids to be selected on the basis of the highest expected return by comparing bids for the 20-year product with combinations of products with shorter durations on the basis of economic merit, also considering any extension options.
The allocation fee was defined as being equal to the sum of the unitary premium defined as a result of the tender procedure and the basic auction fee, which in turn was equal to the sum of a fixed regasification capacity fee and the unitary transportation capacity fee. The successful bidders for regasification capacity in the first auctions may choose, within 15 days of the publication of the regasification tariff for the year 2025, the application of the regasification tariff instead of the fixed regasification capacity fee.

Transport service tariff criteria 2014-2019 - With the Document for consultation (D.CO.) 103/2024/R/gas, the Authority outlines its final guidelines in compliance with the rulings of the Council of State (CdS) No. 8523/2022 and No. 7386/2023 concerning the disputes brought by Enel Trade Spa against the regulatory criteria for the 2014-2017 transportation tariff (4PTR) and the 2018-2019 period (transitional period), disputes in respect of which Edison intervened in opposition to Enel and in support of ARERA. The D.CO. prefigures the recalculation of transport tariffs from 2015 to 2019 on the entry and exit points of the national network on the basis of a “matrix” methodology modified *ad hoc* for the removal of the elements considered distorting in the judgement. The effect of this recalculation, with the exception of the year 2014, entails on average on the entry points of Southern Italy (Gela and Mazara del Vallo) a reduction in fees of 3.4% and on the other points an increase of 11.6%. As far as exit points are concerned, however, the recalculation leads to an average reduction in fees of 7.2% and an increase in fees of 4.8% respectively. Considering the need to protect the stability and credibility of the national gas market, ARERA envisages that each transport user recalculates its net position for the entire period concerned, at all entry and exit points from the national network, on the basis of the recalculated charges and then proceeds to submit a request for reimbursement to the transmission company in the event of a credit recalculation. The revenue will be recovered through a similar additional tariff component in euro/Scm to be applied in the future, on an annual or multi-year time horizon, to exit points other than interconnection points.

Gas storage auctions for the thermal year storage (ATS) 2024-2025 - With Resolution 605/2023/R/gas, ARERA, pursuant to article 5, paragraph 2, of the MASE Decree of March 31, 2023, provided for the possibility for storage companies, already starting from January 2024 and also for the thermal year 2024-2025, to replicate the offer made in 2023 of counterflow filling and residual storage services. Edison Stoccaggio therefore offered these services during the first quarter of 2024, supplying about 270 MScm for the residual storage service and about 131 MScm for the counterflow service.
Following the MASE Decree of March 28, 2024, which regulated the procedures for allocating storage capacities for the thermal year storage 2024-2025, ARERA published Resolution 129/2023/R/gas containing the provisions for the organization of procedures for allocating capacities (auctions).

Edison Stoccaggio then held the auctions for the Modulation service and for the Punta di Punte Costanti service on April 4 and 8, 2024, respectively, and fully awarded the capacities offered (approximately 438 MScm and 60 MScm, respectively).

Recognition of Incremental Operating Costs (CONI) of Edison Stoccaggio 2012/2014 - With Resolution 450/2023/R/gas, ARERA initiated a procedure to comply with ruling 1399/2023 of the Lombardy TAR (Regional Administrative Court), favorable to Edison Stoccaggio, aimed at determining the incremental operating costs to be recognized to Edison Stoccaggio for the years 2012, 2013 and 2014. With the aforementioned Resolution, Edison Stoccaggio was requested to submit for ARERA approval the proposal to redetermine the unit revenue (CVS – “Corrispettivo Variabile Stoccaggio”) for 2012, 2013 and 2014, and the amount of CONI to be recognized. This proposal was sent by Edison Stoccaggio to ARERA on November 30, 2023 and was then integrated on January 19, 2024. With Resolution 18/2024/R/gas, ARERA closed the proceedings to comply with the Lombardy TAR’s ruling 1399/2023, redetermining, according to the criteria of the proposal sent by Edison Stoccaggio, the CVS fees for the years 2012-2014 and thus ordering an adjustment in favor of Edison Stoccaggio for a total of about 1.7 million euros. This adjustment was then disbursed by CSEA on March 1, 2024.

Retail Market

End of the protected natural gas market - The gas protection service for non-vulnerable customers ended on December 31, 2023 and therefore, from January 1, 2024, it is no longer possible to sign contracts in this area. To accompany the transition to the free market of natural gas customers, households and condominiums, the Authority has provided for a gradual path to give everyone the chance to choose the free market offer best suited to their needs, while ensuring continuity of supply and adequate information obligations for sellers. Indeed, with Resolutions 100/2023/R/GAS and 102/2023/R/GAS, the Authority regulated the modalities with which natural gas sellers managed the removal of the protected price, provided for by the Aiuti-quater DL and the contextual identification of vulnerable customers for whom a dedicated tariff has been defined. Pursuant to the aforementioned provisions, the sellers proposed to their customers who were not identified as vulnerable the free market offer containing the estimate of the annual expenditure of the lowest value among those available in their portfolio of offers aimed at domestic customers or condominiums with domestic use, calculated according to the criteria of the Offer Portal Regulation. Since January, the same price structure as the PLACET natural gas offers at variable prices has been applied to end customers who have not adhered to the proposed new supply conditions, nor signed a different free market contract. On the other hand, customers identified as vulnerable were charged the tariff dedicated to them, which provides for similar modalities to those for the current gas protection service. By the end of each month, the Single Buyer (“AU”) will provide a monthly update of the vulnerability condition, which will concern only holders of the social bonus for economic hardship, as well as end customers over 75 years of age, since this information is already available to AU, while for the remaining cases (persons with disabilities pursuant to Article 3 of Law 104/92 and residents in emergency housing facilities) it will be the seller who will have to collect any ownership of the requirements through self-certification. In addition, specific information was sent to all customers in order to make them aware of the overcoming of price protection and of their rights and how to subscribe to the offers dedicated to each user category.
In any case, consumers will be able to choose an offer in the free market at any time without interruption in service.

Electric power: provisions for the end of price protection, activation of the gradual protection service and treatment of vulnerable customers - The Decree of the Ministry of the Environment and Energy Security of May 18, 2023, No. 169 (so-called “End of Protection”) regulated the criteria and modalities for the transition to the market of non-vulnerable domestic customers supplied under the greater protection service and the provisions to ensure the provision of the Gradual Protection Service (“STG”) as a service of last instance.

ARERA, with Resolution 362/2023/R/eel, defined the rules for the provision of the STG for non-vulnerable domestic electricity customers (about 5.5 million) and the related auctions for the selection of the operators that will provide the service, which took place on January 10, 2024 pursuant to the Energy Decree Law No. 181/2023.
Following the publication of the results of the auctions, Edison was awarded four lots for which it submitted bids: Sicily, Calabria, Campania, Apulia and Tuscany. In particular, these are: Southern Area 3 (Avellino, Benevento, Grosseto, Livorno, Pisa, Pistoia, Prato, Siena); Southern Area 5 (Bari, Frosinone, Latina); Southern Area 8 (Catanzaro, Crotone, Lecce, Reggio-Calabria, Vibo-Valentia); Southern Area 9 (Catania, Enna, Messina, Ragusa, Siracusa).
The same Energy Decree Law No. 181/2023 postpones not only the date of the auctions but also the date of activation of the STG by setting it at July 1, 2024 (as opposed to the planned April 1). On the other hand, the end date of the service assignment period, set at March 31, 2027, remains unchanged, consistent with the provisions of the Ministerial Decree of May 17, 2023, which, moreover, contains provisions for the assignment through competitive procedures of a service dedicated to vulnerable consumers. At the moment, however, with a separate provision (Resolution 383/2023), ARERA has only defined the modalities for identifying vulnerable electricity customers who were not subject to the STG auction procedures but will continue to be served, even after July 1, 2024, in the Greater Protection Service and will receive information to be aware of their rights.

Issues affecting multiple business segments

ARERA operating contribution for the year 2023 - With Resolution 395/2023/A, the Authority approved the rates for the payment of the operating contribution due by the operators for the year 2023, keeping them unchanged with respect to 2022. Pursuant to the related operating procedure, published in Resolution 64/2023 - DAGR, operators made the aforementioned payment based on the rates set by November 15, 2023; however, in the face of an inter-associative report that highlighted economic values significantly higher than forecast due to the strong volatility of electricity and gas prices, with Resolution 562/2023/A, the Authority subsequently ordered the introduction of an extraordinary regulatory intervention with the aim of limiting the economic impact of the contribution by regulated entities in the electricity and gas sectors. This measure allowed these operators, including Edison, to request the reimbursement of 40% of the amount previously paid, a reimbursement that was subsequently recognized, at least as far as Edison Spa is concerned, on February 28, 2024.

Decree-Law No. 181 of December 9, 2023 (so-called “Energy security”) concerning “Urgent provisions for the energy security of the country, the promotion of the use of renewable energy sources, the support of energy-intensive enterprises and in the matter of reconstruction in the territories affected by the exceptional flooding events that occurred on or after May 1, 2023” - published in the Official Journal on December 9, 2023 No. 287, converted, with amendments, by law February 2, 2024, No. 11, published in the Official Journal of February 7, 2024.
Following the parliamentary examination, the measure contains, in particular, provisions in relation to the procedures for the identification of operators of the gradual protection service for non-vulnerable customers and the allocation of the so-called “vulnerability service”. In addition, an environmental compensation and rebalancing fund is established for regions hosting RES plants, and the regulation of a new incentive scheme for investments in electricity production capacity from renewable sources is introduced. In addition, there are rules on self-consumption for energy-intensive entities; “gas release” for gas customers; regasification of liquefied natural gas; geothermal concessions; bioliquid plants; air condensers; CO_2 storage; offshore wind power and district heating.

Decree-Law No. 19 of March 2, 2024 (so-called “PNRR”) on “Further urgent provisions for the implementation of the national recovery and resilience plan (PNRR)” - published in the Official Journal on March 2, 2024, No. 52. The provision must be converted into law within 60 days of publication in the Official Journal.
The Decree-Law contains, in particular, provisions to identify the resources to finance the interventions provided for in the REPowerEU chapter of the PNRR, as well as to make some changes to the governance of the Plan itself. Some

provisions on energy efficiency and safety at work are also introduced. Finally, the Transition 5.0 Plan is to be set up to support new investments in tangible and intangible assets by selected companies, also with a view to achieving a reduction in energy consumption.

Decree No. 414 of December 7, 2023 of the Ministry of the Environment and Energy Security (so-called “DM CER”) published on the institutional website of the Ministry on January 23, 2024 and in force since January 24, 2024.
The measure aims to stimulate the emergence and development of renewable energy communities and widespread self-consumption in Italy. In particular, two modalities are envisaged: a non-repayable contribution of up to 40% of eligible costs, financed by the PNRR and aimed at communities whose plants are built in municipalities with less than 5,000 inhabitants; an incentive tariff on the renewable energy produced and shared for the entire national territory, divided according to three power classes, with an increase for plants located in central and northern Italy.

Regulation published on the extension of the emergency framework to accelerate the deployment of renewables
On January 10, 2024, Regulation (EU) 2024/223 amending the Emergency Regulation (EU) 2022/2577, which established a temporary framework to accelerate the deployment of renewable energy, was published in the Official Journal of the European Union. The provision in fact establishes a series of rules to accelerate the permitting of new projects, with particular attention to initiatives capable of quickly accelerating the deployment of renewable energy (repowering, rooftop solar and heat pumps). The original regulation is applicable until June 30, 2024 and has now been extended until June 30, 2025.

Presentation formats

Consolidated income statement

(in millions of euros)	1st quarter 2024	1st quarter 2023 (*)
Sales revenues	4,066	6,102
Other revenues and income	65	50
Total net revenues	**4,131**	**6,152**
Commodity and logistic costs (-)	(3,220)	(5,314)
Other costs and services used (-)	(186)	(190)
Labor costs (-)	(109)	(97)
Receivables (writedowns) / reversals	(2)	4
Other costs (-)	(19)	(23)
EBITDA	**595**	**532**
Net change in fair value of derivatives (commodity and exchange rate risk)	18	28
Depreciation and amortization (-)	(116)	(103)
(Writedowns) and reversals	-	-
Other income (expense) non-Energy Activities	(3)	(3)
EBIT	**494**	**454**
Net financial income (expense) on debt	9	-
Other net financial income (expense)	(7)	(5)
Net financial income (expense) on assigned trade receivables without recourse	(16)	(15)
Income from (Expense on) equity investments	1	(1)
Profit (Loss) before taxes	**481**	**433**
Income taxes	(147)	(127)
Profit (Loss) from continuing operations	**334**	**306**
Profit (Loss) from discontinued operations	8	5
Profit (Loss)	**342**	**311**
Broken down as follows:		
Minority interest in profit (loss)	20	23
Group interest in profit (loss)	**322**	**288**

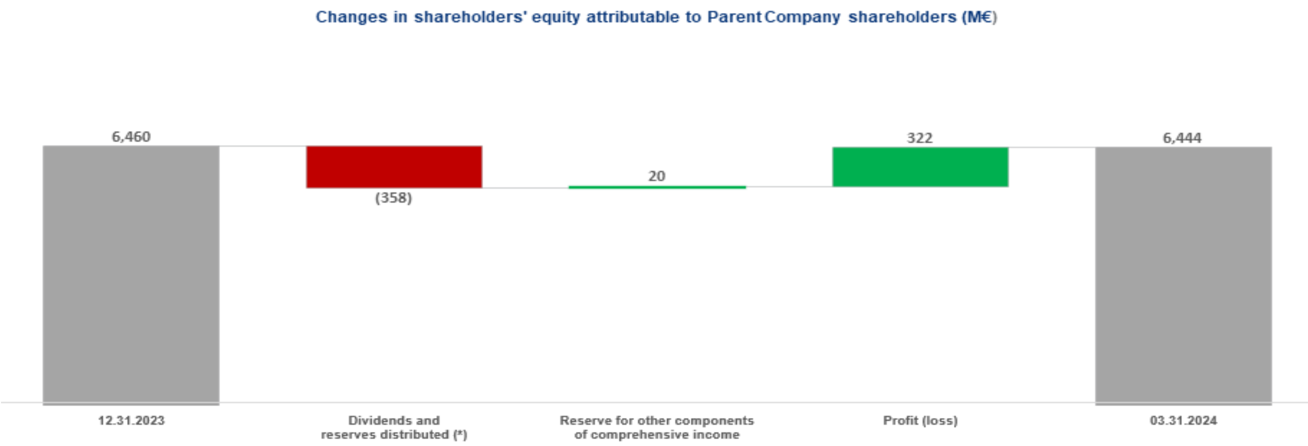
(*) The amounts of 1st quarter 2023 were restated pursuant to IFRS 5

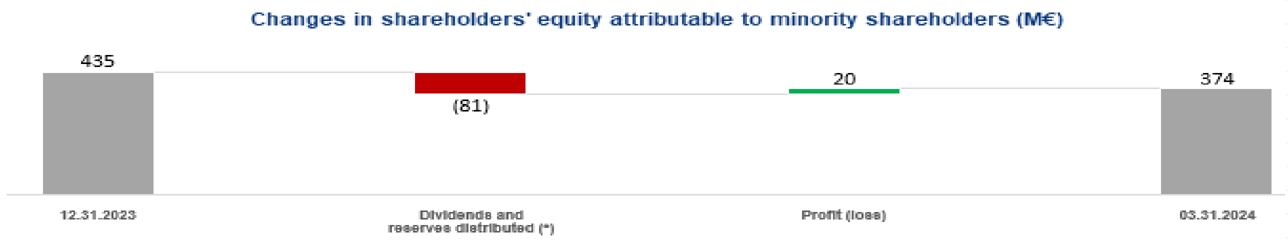
Consolidated balance sheet

	03.31.2024	12.31.2023
(in millions of euros)		
ASSETS		
Property, plant and equipment	3,771	3,811
Intangible assets	389	387
Goodwill	2,108	2,107
Investments in companies valued by the equity method	294	291
Other non-current financial assets	86	89
Deferred-tax assets	393	401
Non-current tax receivables	2	2
Other non-current assets	295	229
Fair Value	190	181
Assets for financial leasing	15	15
Total non-current assets	**7,543**	**7,513**
Inventories	92	174
Trade receivables	2,343	2,561
Current tax receivables	36	36
Other current assets	440	376
Fair Value	723	1,037
Current financial assets	149	149
Cash and cash equivalents	1,701	1,234
Total current assets	**5,484**	**5,567**
Assets held for sale	**564**	**547**
Total assets	**13,591**	**13,627**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	4,736	4,736
Reserves and retained earnings (loss carryforward)	1,311	1,154
Reserve for other components of comprehensive income	75	55
Group interest in profit (loss)	322	515
Total shareholders' equity attributable to Parent Company shareholders	**6,444**	**6,460**
Shareholders' equity attributable to minority shareholders	374	435
Total shareholders' equity	**6,818**	**6,895**
Employee benefits	33	33
Provisions for decommissioning and remediation of industrial sites	129	127
Provisions for risks and charges	234	171
Provisions for risks and charges for non-Energy Activities	746	761
Deferred-tax liabilities	90	85
Other non-current liabilities	122	116
Fair Value	111	152
Non-current financial debt	682	696
Total non-current liabilities	**2,147**	**2,141**
Trade payables	2,048	2,246
Current tax payables	394	257
Other current liabilities	732	364
Fair Value	908	1,256
Current financial debt	411	345
Total current liabilities	**4,493**	**4,468**
Liabilities held for sale	**133**	**123**
Total liabilities and shareholders' equity	**13,591**	**13,627**

Changes in consolidated shareholders' equity

(in millions of euros)	Share capital	Reserves and retained earnings (loss carry-forward)	Reserve for other components of comprehensive income	Group interest in profit (loss)	Total shareholders' equity attributable to Parent Company shareholders	Shareholders' equity attributable to minority shareholders	Total shareholders' Equity
Balance at December 31, 2023	**4,736**	**1,154**	**55**	**515**	**6,460**	**435**	**6,895**
Appropriation of the previous year's profit (loss)	-	515	-	(515)	**-**	-	**-**
Dividends and reserves distributed (*)	-	(358)	-	-	**(358)**	(81)	**(439)**
Other changes	-	-	-	-	**-**	-	**-**
Total comprehensive profit (loss)	-	-	20	322	**342**	20	**362**
of which:							
- Change in comprehensive income	-	-	20	-	**20**	-	**20**
- Profit (loss) at March 31, 2024	-	-	-	322	**322**	20	**342**
Balance at March 31, 2024	**4,736**	**1,311**	**75**	**322**	**6,444**	**374**	**6,818**





(*) Edison Spa Shareholders' Meeting, held on March 27, 2024, resolved to allocate a portion of the profit for the year 2023, for a total amount of 311 million euros, as a dividend for savings and common shares, and to distribute to shareholders an additional amount of 47 million euros to be taken from the "retained earnings". The total amount of 358 million euros was paid on April 24, 2024, and was recorded at March 31, 2024, under "Other current liabilities." The amount relating to Shareholder's equity attributable to minority shareholders refers to dividends attributable to minority shareholders distributed by the subsidiary Edison Rinnovabili in March 2024.

Economic & Financial Results at March 31, 2024

Revenues and EBITDA of the Group and by Business Segment

(in millions of euros)	**1st quarter 2024**	1st quarter 2023 (*)	Change	Change %
Electric Power Operations				
Sales revenues	1,767	2,620	(853)	*(32.6%)*
EBITDA	329	249	80	*32.1%*
Gas Operations				
Sales revenues	2,683	4,296	(1,613)	*(37.5%)*
EBITDA	268	282	(14)	*(5.0%)*
Corporate (1)				
Sales revenues	44	39	5	*12.8%*
EBITDA	(2)	1	(3)	*n.m.*
Eliminations				
Sales revenues	(428)	(853)	425	*49.8%*
Edison Group				
Sales revenues	**4,066**	**6,102**	**(2,036)**	***(33.4%)***
EBITDA	**595**	**532**	**63**	***11.8%***
as a % of sales revenues	***14.6%***	***8.7%***	**-**	**-**

(1) Includes those operations of Edison Spa, the Group's Parent Company, that engage in central and transversal activities, i.e., activities that are not directly tied with a specific business and certain holding companies and real estate companies.

(*) The amounts of 1st quarter 2023 were restated pursuant to IFRS 5.

Revenues for the first quarter of 2024 showed a downward trend compared to the same period last year, amounting to 4,066 million euros, attributable to the Gas and Electric Power Operations, mainly due to the lower price scenario.

EBITDA amounted to 595 million euros, up 11.8% compared to the same period in 2023, due above all to positive contribution of the renewable business and the improved result from the commercial part.

See the sections of this Report that follow for a more detailed analysis of the performance of the individual Operations.

Electric Power Operations

Sources

(GWh) (1)	1st quarter 2024	1st quarter 2023	Change %
Edison's production:	**4,703**	**4,512**	***4.2%***
- thermoelectric	3,367	3,666	*(8.2%)*
- hydroelectric	628	216	*190.7%*
- wind power and other renewables	708	630	*12.4%*
Other purchases (wholesalers, IPEX, etc.) (2)	**4,980**	**5,184**	***(3.9%)***
Total sources	**9,683**	**9,696**	**(0.1%)**
EESM Activities Production	**128**	**157**	**(18.5%)**

(1) 1 GWh is equal to 1 million kWh, referred to physical volumes.
(2) Before line losses.

Uses

(GWh) (1)	1st quarter 2024	1st quarter 2023	Change %
End customers (2)	3,691	3,383	*9.1%*
Other sales (wholesalers, IPEX, etc.)	5,992	6,313	*(5.1%)*
Total uses	**9,683**	**9,696**	**(0.1%)**
EESM Activities Sales	**128**	**157**	**(18.5%)**

(1) 1 GWh is equal to 1 million kWh.
(2) Before line losses.

The Group operates in accordance with a business model that calls for the separation of power generation activities (thermoelectric and renewables), sales on the end market (business and retail) and wholesale market and buying and selling activities, aimed at implementing adequate segregation and risk hedging policies for the above-mentioned portfolios and at maximizing their profitability through their optimization.

Within this model, Edison production amounted to 4,703 GWh, up 4.2% from the same period of 2023.

Thermoelectric production decreased by 8.2%; the less efficient plants were penalised by less favourable market conditions than in 2023, while a positive contribution is given by the production of the new plants in Marghera Levante and Presenzano. The decrease in thermoelectric volumes was more than offset by hydroelectric production, which showed an increase of 190.7%, mainly attributable to greater hydraulicity. Production from wind and other renewable sources increased by 12.4%, due mainly to high wind levels during the period and partly to the higher production of new photovoltaic plants that came into operation over the last year.

Sales to end customers increased overall by 9.1%, mainly due to an increase in the volumes of the Business and Retail segments.

Other purchases and Other sales are down slightly on the same period of the previous year by 3.9% and 5.1% respectively; it should be noted that, however, these items include not only purchases and sales on the wholesale market but also purchases and sales on IPEX, connected with the balancing of portfolios.

There was a decrease in volumes related to Energy & Environmental Services Market activities.

Income Statement Data

(in millions of euros)	**1st quarter 2024**	1st quarter 2023	Change %
Sales revenues	1,767	2,620	*(32.6%)*
EBITDA	329	249	*32.1%*

Sales revenues in the first quarter of 2024 came in at 1,767 million euros, down 32.6% compared to the same period of the previous year.

EBITDA was 329 million euros, up 80 million euros.

The thermoelectric sector shows a downward trend compared to the same period last year as a result of less favourable market conditions.

The renewables sector achieved a higher result than the same period last year; in particular:

- hydroelectric benefited from increased volumes compared to the same period last year and the positive impact of a non-recurring event, effects in part offset by a less favourable price scenario;
- wind power shows a positive trend due to increased production volumes and higher incentives compared to the same period in 2023;
- photovoltaic recorded a slightly higher result than in the first quarter of the previous year, mainly due to a volume effect.

Commercial activities showed an increase in results, particularly in the Retail and Business segments, related to an improvement in unit margins. Sales of value-added services (VAS) decreased slightly compared to last year.

The income statement data of Electric Power Operations include the results of the Energy & Environmental Services Market activities, which, in the first quarter of 2024, showed a 11% decline in sales revenues compared to the same period last year, reaching 259 million euros (291 million euros in 2023). EBITDA decreased by 12.8% compared to the same period last year, amounting to 34 million euros (39 million euros in 2023), mainly due to a decrease in the activities related to Public Administration, partially offset by the Industry segment.

Gas Operations

Sources of Gas

(Gas in millions of m^3)	**1st quarter 2024**	1st quarter 2023 (*)	Change %
Production outside Italy (1)	-	34	*n.m.*
Long-term purchases and other imports	3,146	3,001	*4.8%*
Other purchases	1,225	718	*70.6%*
Change in stored gas inventory (2)	123	222	*(44.6%)*
Total sources	**4,494**	**3,975**	***13.1%***
Production discontinued	**3.2**	**2.8**	***14.7%***

(1) Production related to the concession in Algeria.
(2) Includes pipeline leaks. A negative change reflects additions to the stored gas inventory.
(*) 2023 figure reclassified.

Uses of Gas

(Gas in millions of m^3)	**1st quarter 2024**	1st quarter 2023 (*)	Change %
Residential use	338	342	*(1.2%)*
Industrial use	1,347	1,180	*14.2%*
Thermoelectric fuel use	1,002	980	*2.2%*
Sales of production outside Italy	-	34	*n.m.*
Other sales	1,807	1,439	*25.6%*
Total uses	**4,494**	**3,975**	***13.1%***
Sales of production discontinued	**3.2**	**2.8**	***14.7%***

(*) 2023 figure reclassified.

Long-term gas purchases and other purchases on the wholesale market were up on the same period last year by 4.8% and 70.6%, respectively. It bears recalling that Edison's portfolio of long-term import contracts does not include Russian gas and that the concession in Algeria was sold during the month of October 2023. Storage facilities recorded lower outflows than in the same period last year.
With regard to uses of 4,494 million cubic meters, there was an increase in sales, particularly for industrial uses and on the wholesale market.

Income Statement Data

(in millions of euros)	**1st quarter 2024**	1st quarter 2023 (*)	Change %
Sales revenues	2,683	4,296	*(37.5%)*
EBITDA	268	282	*(5.0%)*

(*) The amounts of 1st quarter 2023 were restated pursuant to IFRS 5.

Sales revenues in the first quarter of 2024 stood at 2,683 million euros, down 37.5% compared to the same period of the previous year, mainly due to the declining price scenario.

EBITDA amounted to 268 million euros, down 5% on the same period in the previous year. Commercial activities increased slightly compared to the same period last year, in particular due to a margin recovery in the Retail segment.

Corporate

Income Statement Data

(in millions of euros)	**1st quarter 2024**	1st quarter 2023	Change %
Sales revenues	44	39	*12.8%*
EBITDA	(2)	1	*n.m.*

Corporate include those operations of Edison Spa, the Group's Parent Company, that engage in central and transversal activities, i.e., activities that are not directly tied to a specific business, and certain holding companies and real estate companies.
Sales revenues in the first quarter of 2024 show an upward trend on the same period last year, mainly driven by service contracts to operating units.
EBITDA, however, shows a reduction compared to the same period last year, partly attributable to a slight increase in the workforce.

Other components of the Group's Income Statement

(in millions of euros)	**1st quarter 2024**	1st quarter 2023 (*)	% change
EBITDA	**595**	**532**	***11.8%***
Net change in fair value of derivatives (commodity and exchange rate risk)	18	28	*(35.7%)*
Depreciation and amortization	(116)	(103)	*(12.6%)*
(Writedowns) and reversals	-	-	*n.m.*
Other income (expense) non-Energy Activities	(3)	(3)	*0.0%*
EBIT	**494**	**454**	***8.8%***
Net financial income (expense) on debt	9	-	*n.m.*
Other net financial income (expense)	(7)	(5)	*(40.0%)*
Net financial income (expense) on assigned trade receivables without recourse	(16)	(15)	*(6.7%)*
Income from (Expense on) equity investments	1	(1)	*n.m.*
Income taxes	(147)	(127)	*(15.7%)*
Profit (Loss) from continuing operations	**334**	**306**	***9.2%***
Profit (Loss) from discontinued operations	**8**	**5**	*60.0%*
Minority interest in profit (loss)	20	23	*(13.0%)*
Group interest in profit (loss)	**322**	**288**	***11.8%***

(*) The amounts of 1st quarter 2023 were restated pursuant to IFRS 5

The **Profit (Loss) from continuing operations** is positive for 334 million euros, increased compared to the 306 million euros in the first quarter of 2023.

In addition to the industrial margin dynamics discussed above, the main factors affecting this result were:

- a net change in the fair value of derivatives, positive for 18 million euros (positive for 28 million euros in the first quarter of 2023);
- depreciation and amortization for 116 million euros (103 million euros in the first quarter of 2023);
- the financial items, which record net expense for 14 million euros (net expense for 20 million euros in the first quarter of 2023), an improvement due to the positive balance of the item "Net financial income (expense) on debt", benefiting from the significant amount of cash and cash equivalents, remunerated at a variable-rate;
- the income taxes for 147 million euros with a tax rate of about 31%.

Profit (Loss) from discontinued operations, positive for 8 million euros (5 million euros in the first quarter of 2023), includes revenues and income and costs and expenses attributable to the gas storage business, under disposal.

Following the allocation of minority interest in profit (loss), for a profit of 20 million euros, which reflect essentially the positive performance of Edison Rinnovabili (owned by Edison at 51%) and its subsidiaries, **Group interest in profit (loss)** is positive for 322 million euros (positive for 288 million euros in the first quarter of 2023).

Here below the details of the main Other components of the Group's Income Statement.

Net change in fair value of derivatives (commodity and exchange rate risk)

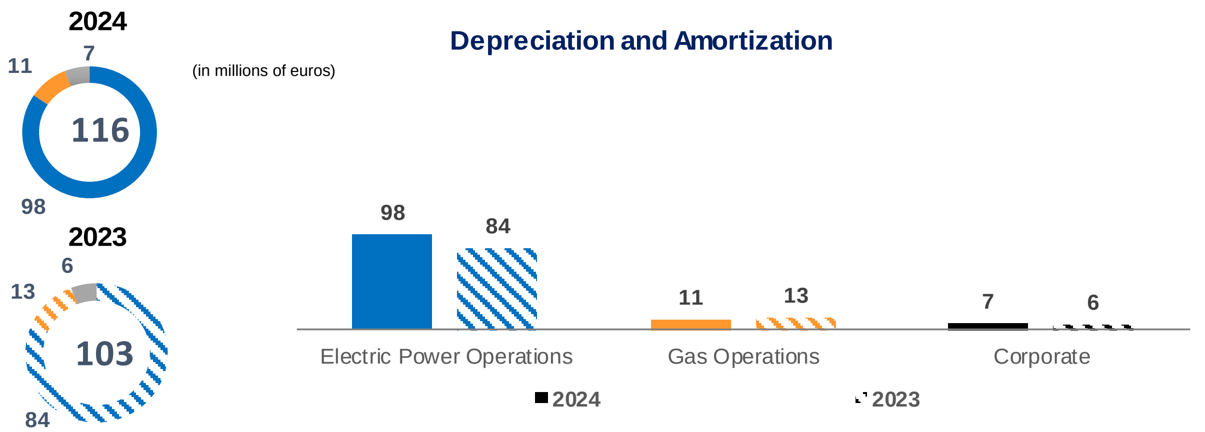
Net change in fair value of derivatives (commodity and exchange rate risk) (in millions of euros)	Definable as hedges (CFH) (*)	Definable as hedges (FVH)	Not definable as hedges	Total net change in fair value
1st quarter 2024				
Hedges of price risk on energy products	(9)	(64)	15	**(58)**
Hedges of foreign exchange risk on commodities	-	8	-	**8**
Change in fair value in physical contracts (FVH)	-	68	-	**68**
Total 2024	**(9)**	**12**	**15**	**18**
1st quarter 2023				
Hedges of price risk on energy products	(5)	567	35	**597**
Hedges of foreign exchange risk on commodities	-	(20)	-	**(20)**
Change in fair value in physical contracts (FVH)	-	(549)	-	**(549)**
Total 2023	**(5)**	**(2)**	**35**	**28**

(*) It refers to the ineffective portion.

Net change in fair value recorded in the first quarter of 2024 is linked to the change in prices of the main reference commodities.

Depreciation and Amortization

The following chart shows the detail of depreciation and amortization by business segment.



Other net financial income (expense)

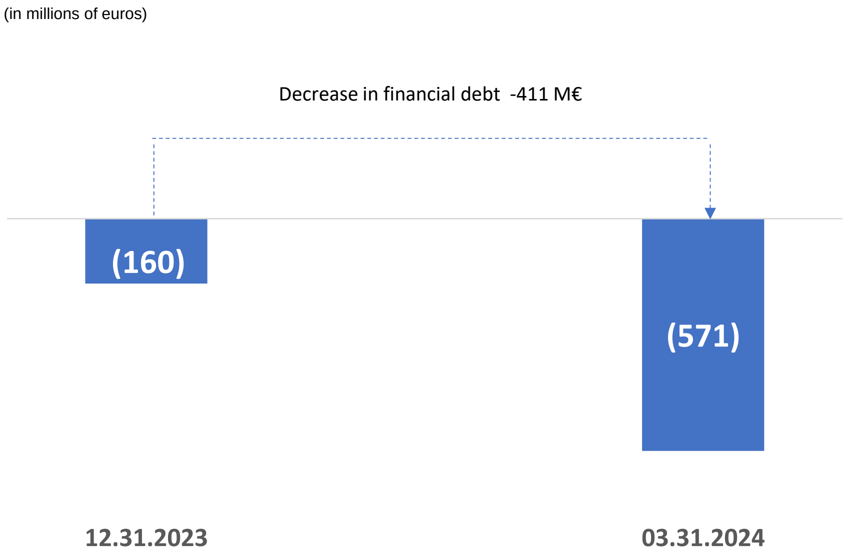
(in millions of euros)	**1st quarter 2024**	1st quarter 2023	Change
Financial expenses on provisions	(2)	(2)	-
Net foreign exchange translation gains (losses) (*)	-	(3)	3
Other	(5)	-	(5)
Other net financial income (expense)	**(7)**	**(5)**	**(2)**

(*) Including net results of the transactions with EDF Sa to cover exchange rate risk.

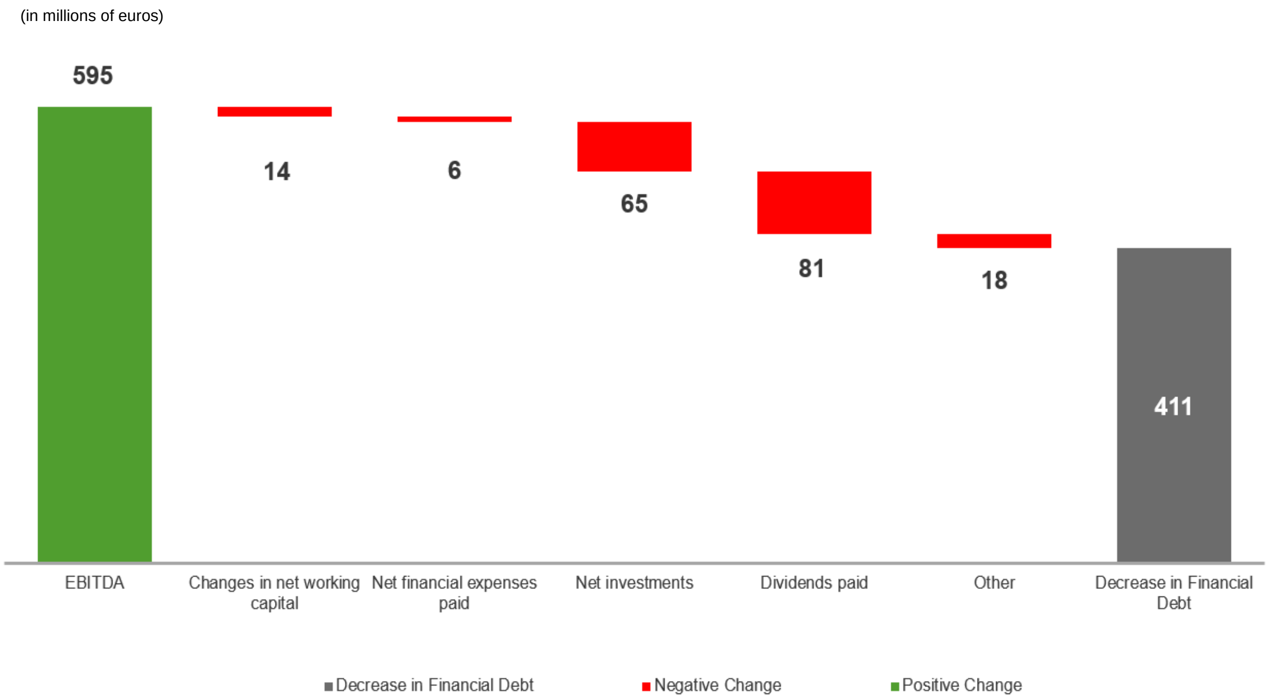
Total financial indebtedness and cash flows

Total financial indebtedness at March 31, 2024 records a liquidity of 571 million euros (liquidity of 160 million euros at December 31, 2023).

Change in financial debt



Below the analysis of changes in financial debt is provided:



The main cash flows of the period reflect the positive performance of operating activities described above, the payment of dividends attributable to minority shareholders and net investments for 65 million euros, which mainly include:

- net capital expenditures (78 million euros), mainly related to the energy and environmental services (27 million euros), the thermoelectric sector (9 million euros), the wind and photovoltaic sectors (6 million euros), as well as the incremental costs incurred to obtain new contracts in the commercial sector (28 million euros);
- a positive effect of about 15 million euros related to a non-recurring event;
- the aforementioned acquisition, in the scope of the activities of Energy & Environmental Services Market, of 100% of the company Consistrol Alvarez y Asociados, which determined an increase in indebtedness of 2 million euros.

The following table gives the breakdown of Total financial indebtedness, as defined by ESMA Guidelines published on March 4, 2021 and which CONSOB requested to be adopted starting from May 5, 2021.

Total financial indebtedness (in millions of euros)	03.31.2024	12.31.2023	Change
Non-current financial debt	682	696	(14)
- Due to banks	412	416	(4)
- Due to EDF Group companies	-	-	-
- Debt for leasing	269	279	(10)
- Due to other lenders	1	1	-
Other non-current liabilities	45	39	6
Non-current financial indebtedness	**727**	**735**	**(8)**
Current financial debt (excluding current portion of non-current financial debt)	281	219	62
- Due to banks	195	117	78
- Due to EDF Group companies	10	11	(1)
- Debt for valuation of Cash Flow Hedge derivatives	-	-	-
- Due to other lenders	76	91	(15)
Current portion of non-current financial debt	130	126	4
- Due to banks	78	75	3
- Debt for leasing	52	51	1
Current financial assets	(133)	(132)	(1)
- Current financial assets from EDF Group companies	(5)	(4)	(1)
- Credit for valuation of Cash Flow Hedge derivatives	(1)	-	(1)
- Other current financial assets (°)	(127)	(128)	1
Cash and cash equivalents	(1,701)	(1,234)	(467)
Net current financial indebtedness	**(1,423)**	**(1,021)**	**(402)**
Net financial debt Assets held for sale	**125**	**126**	**(1)**
Total financial indebtedness	**(571)**	**(160)**	**(411)**
of which:			
Gross financial indebtedness	**1,138**	**1,080**	**58**
of which Other non-current liabilities	45	39	6
Liquidity	**(1,709)**	**(1,240)**	**(469)**

(°) At March 31, 2024, they include financial receivables from Assets held for sale for 125 million euros (126 million euros at December 31, 2023)

During the first quarter of 2024, the significant generation of liquidity, dictated by the excellent results of operations, further increased the Group's liquidity position and more than offset a slight temporary increase in gross debt.

Non-current financial indebtedness shows a slight decrease compared to December 31, 2023, due to the reclassification to current financial debt of the expiring portion of the debt.

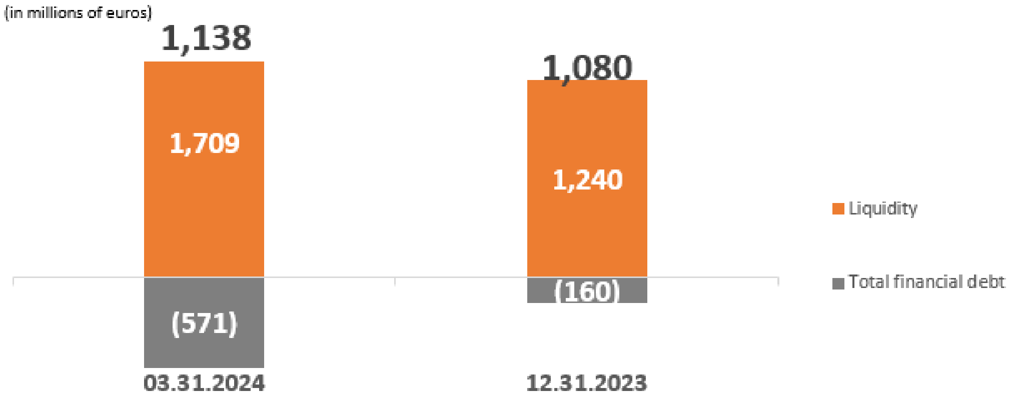
Current financial debt increases compared to December 31, 2023, mainly due to higher temporary overdrafts on current accounts due to the normal operations management.

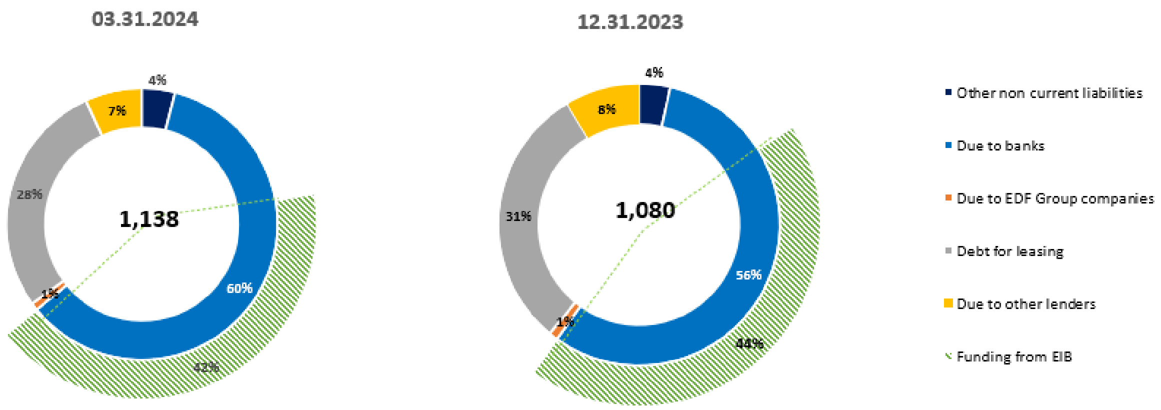
Cash and cash equivalents, amounting to 1,701 million euros, show a sharp increase compared to 1,234 million euros of December 31, 2023 and are mainly represented by available funds held in the current account with EDF Sa for 1,663 million euros (1,201 million euros at December 31, 2023). The treasury current account overdraft with EDF Sa, amounting to 199 million euros, was not used at March 31, 2024.

At March 31, 2024, Edison Group has unused committed lines of credit totalling 1,162 million euros, represented:

- by the revolving credit line (1 billion euros), dedicated to covering working capital needs, subscribed in March 2023 with a pool of banks (BNL BNP Paribas, BPER Banca Spa, Intesa Sanpaolo Spa and UniCredit Spa) and guaranteed by the national export credit agency SACE Spa for 70% of the amount;
- by the Green Framework Loan (162 million euros) granted by the EIB at the end of June 2020 to finance the creation of a portfolio of projects throughout Italy for energy efficiency and for the construction of renewable energy plants. The line of credit has a duration of 15 years.

Gross financial debt and breakdown by financial source





The composition of gross financial debt compared to December 31, 2023, shows no significant changes beyond the already described increase of the temporary overdrafts on current accounts due to normal operations management.

Fair value recorded in Balance Sheet and Cash Flow Hedge reserve

Fair Value recorded in Balance Sheet

(in millions of euros)	03.31.2024			12.31.2023		
Broken down as follows:	Receivables	Payables	Net	Receivables	Payables	Net
- Financial assets (liabilities)	1	-	1	-	-	-
- Non-current assets (liabilities)	190	(111)	79	181	(152)	29
- Current assets (liabilities)	722	(908)	(186)	1,037	(1,256)	(219)
Fair Value recognized as assets or liabilities (a)	**913**	**(1,019)**	**(106)**	**1,218**	**(1,408)**	**(190)**
of which of (a) related to:						
- Interest Rate Risk Management	1	-	1	-	-	-
- Exchange Rate Risk Management	40	(5)	35	29	(21)	8
- Commodity Risk Management	825	(684)	141	1,112	(959)	153
- Fair value on physical contracts	47	(330)	(283)	77	(428)	(351)

The decrease in receivables and payables, compared to December 31, 2023, is due to the general decrease in prices recorded in the period on all commodity markets. For further information on the commodities prices dynamic, please refer to the paragraphs on Economic Framework and The Italian Energy Market.

The table below, instead, provides a breakdown of the changes that occurred in the Cash Flow Hedge reserve for the accounting treatment of derivatives. The change refers to the provisional recognition in equity of the effective portion of derivatives executed to hedge price and foreign exchange risks on energy commodities and interest rate risk. The amounts recognized directly in equity are reflected in the income statement in line with the effects of the hedged item.

Cash Flow Hedge reserve

(in millions of euros)	Gross reserve	Taxes	Net reserve
Reserve at December 31, 2023	**67**	**(18)**	**49**
Changes in the period	24	(7)	17
Reserve at March 31, 2024	**91**	**(25)**	**66**

The change recorded in the period and the reserve at March 31, 2024 are essentially related to the net fair value of the derivatives in place to hedge the commodity and exchange rate risks associated with the formulas in both the sales contracts and gas procurement contracts signed by Edison for the management of its physical and contractual assets. The increase of the reserve, compared to December 31, 2023, reflects the decrease in prices recorded in the period with reference to all commodity markets, compared to the prices set with the hedges in place.
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Outlook

Based on the first quarter results, which benefit from positive seasonality, and considering the persistence of international geopolitical tensions, as well as the resulting market volatility, the Edison Group confirms an EBITDA of at least 1.5 billion euros in 2024.

Significant events occurring after March 31, 2024

No significant events occurred after March 31, 2024.

Milan, May 3, 2024
The Board of Directors
By Nicola Monti
Chief Executive Officer

Certification pursuant to article 154-bis, Section 2, of Legislative Decree No. 58/1998

Ronan Lory and Roberto Buccelli, in their capacity as “Dirigenti preposti alla redazione dei documenti contabili societari” of Edison Spa, declare that the accounting information contained in this Quarterly Report at March 31, 2024 is consistent with the data in documents, accounting records and other records.

Milan, May 3, 2024

**“Dirigenti Preposti alla redazione
dei documenti contabili societari”
Ronan Lory
Roberto Buccelli**